



Date: July 18, 2011

To: Thomas J. Bonfield, City Manager
Through: Theodore L. Voorhees, Deputy City Manager
From: Donald F. Greeley, Director, Water Management
Jerry F. Morrone, Utility Engineering Supervisor
Subject: Property Acquisition Authorization for Angier Ave Tank

Executive Summary

On June 16, 2008, City Council approved the selection of Kimley-Horn and Associates (KHA) for the site selection, design, and construction of a new 3 million gallon (MG) elevated water storage tank and booster pump station. The site selected for the tank consists of a 0.232-acre vacant lot located at 4103 Angier Ave. (Parcel #165023) and a 1.983-acre adjacent subdivided parcel at 4115 Angier Ave. (Parcel #165024).

The Real Estate staff from the General Services Department has negotiated an Option with both property owners to purchase and recombine the properties for the tank. The Department has received authorization to purchase the subdivided parcel is requesting authorization to purchase the subdivided parcel at 4115 Angier Ave. (Parcel #165024). The Department is requesting authority to purchase the remaining parcel (Parcel #165023).

Recommendation

The Department of Water Management and General Services Department recommend that the City Council approve the fee simple absolute acquisition of a 0.232+ acre lot, Parcel #165023, from William H. Jeffreys for \$125,000.00.

Background

Three sites were evaluated for the tank and booster station in southeast Durham based on recommendations from hydraulic modeling and a distribution system storage assessment conducted by Hazen & Sawyer in July 2008. Evaluation of the sites considered ground elevation, proximity to future water demand and water mains, availability to purchase, accessibility, proximity of residential development, size and configuration, ability to equalize system pressure, and construction costs.

The selected site for the tank consists of a 0.232 acre vacant lot located at 4103 Angier Ave. (Parcel #165023) and a 1.983-acre adjacent subdivided parcel at 4115 Angier Ave. (Parcel #165024). William H. Jeffreys is owner of Parcel #165023 and Cornwall Development Corporation (Cornwall) is owner of Parcel #165024, an overall 20.64 acre wooded parcel.

Issues and Analysis

The City has completed negotiations with Mr. Jeffreys, and an option to purchase Parcel #165023 has been signed.

A comparative market analysis (CMA) for comparable land sales indicates a land value of \$10.50 per square foot. The \$125,000.00 purchase price that is being recommended to Council is a negotiated price of approximately \$12.37 per square foot for this 0.232+ acre (10,105+ square feet) lot.

This acquisition is necessary for the construction of the Angier Tank project.

Below is a summary of pertinent terms and conditions in the option:

- (1) Option expires 90 days after City Council approval.
- (2) Property required is a total take in fee simple absolute of +0.232 acres, land only, located at 4103 Angier Ave. (Parcel #165023)
- (3) The Optioned purchase price is \$125,000.00.
- (4) Upon exercise of the Option by the City, by giving notice of such exercise, the Seller shall execute and deliver a good and sufficient deed conveying title to the City.
- (5) It is understood and agreed that the City of Durham or its agents or contractors may enter upon the property for purposes related to the acquisition at any time after the execution of the Option and prior to delivery of the deed.

Alternatives

Alternative #1: Do not authorize the General Services Department Real Estate staff to acquire the above property on behalf of the Department of Water Management. This would result in the City not being able to construct the tank at this site, forcing the City to select a different site. Site selection for a tank of this size is a costly process and would result in significant delays and increases in project costs. For these reasons, this is not recommended.

Financial Impact

Funds for the property acquisition are budgeted for in the Finished Water Storage and Pressurization Project in the City's CIP. There are currently funds available for the acquisition in account # 4100P007-730100-P0400.

SDBE Summary

This item does not require review by the Equal Opportunity/Equity Assurance Department.

Attachments

Option to purchase for Parcel ID #165023